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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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Masashi Morioka

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OBLON, SPIVAK, MCCLELLAND MAIER & NEUSTADT, P.C.
1940 DUKE STREET
ALEXANDRIA, VA 22314

EXAMINER

JOHNS, CHRISTOPHER C

ART UNIT

PAPER NUMBER

3621

NOTIFICATION DATE

DELIVERY MODE

01/22/2009

ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

patentdocket@oblon.com
oblonpat@oblon.com
jgardner@oblon.com

Office Action Summary	Application No. 10/673,239	Applicant(s) MORIOKA ET AL.	
	Examiner Christopher C. Johns	Art Unit 3621	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 26 November 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 15 and 19 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 15 and 19 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>11/26/08</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Continued Examination Under 37 C.F.R. §1.114

1. A request for continued examination under 37 C.F.R. §1.114, including the fee set forth in 37 C.F.R. §1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 C.F.R. §1.114, and the fee set forth in 37 C.F.R. §1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 C.F.R. § 1.114. Applicant's submission filed on 19 August 2008 has been entered.

Acknowledgements

2. Claims 1-14 and 16-18 have been cancelled.
3. Claims 15 and 19 are pending.

Specification

4. The title of the invention is not descriptive. A new title is required that is clearly indicative of the invention to which the claims are directed.
5. Additionally, a substitute specification in proper idiomatic English and in compliance with 37 C.F.R. §1.52(a) and (b) is required. The substitute specification filed must be accompanied by a statement that it contains no new matter. Exemplary reasons for this requirement include the following, which is by no means an exhaustive list:
 - a. Page 1, "Description of the Related Art" - "Such as online shopping of beverages, foods, books, and others, online distribution of music and video contents and usage of

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network services, those use the Internet or cellular phones as payment means, are so called 'e-commerce'";

b. Page 12, lines 2-6 - "The environment is such as performance of the terminal, type and bandwidth of the network and transmission rate";

c. Page 17, lines 5-7 "As a language for the software program to be generated here, JAVA (a product name), for instance, is usable";

d. Page 17, line 21 - "is necessary to be raised";

e. Page 20, lines 14-15 - "informing the uniqueness and reliability of the certificate of service and is needed for payment".

6. These portions contain run-on sentences and other types of informal and improper language.

7. This is the Examiner's second requirement for a substitute specification¹.

Claim Objections

8. Claim 19 is objected to for usage of the functional language "configured to". The Examiner believes that Applicants intend "configured to" to mean "programmed to" since "configured to" is functional language and therefore given less patentable weight². In light of the notice function of the claims, the Examiner respectfully requests changing "configured to" to "programmed to" where a positive recitation is desired³.

¹ See Non-final rejection of 21 September 2007, first page, ¶3.

² In this sense, *any* terminal is configured to receive data - the question is whether the terminal has been programmed to receive such data.

³ See MPEP §2114 - "While features of an apparatus may be recited either structurally or functionally, claims directed to an apparatus must be distinguished from the prior art in terms of structure rather than function" (emphasis mine). The Manual then cites important precedent: "In re Schreiber, 128 F.3d 1473, 1477-78, 44

Claim Rejections - 35 USC § 101

9. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

10. Claim 15 is rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter.

11. Based on Supreme Court precedent⁴ and recent Federal Circuit decisions⁵, a §101 process must (1) be tied to a machine (e.g. a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing.⁶ If neither of these requirements is met by the claim(s), the method is not a patent eligible process under 35 U.S.C. §101.

12. In this particular case, independent claim 15 recites the limitations of a "terminal", a "device" and a "network".

13. As for "terminal", this is not a sufficient machine, as the definition of a terminal is quite broad. See "BSD Kernel Interfaces Manual - PTY(4)" from the Mac OS X Manual Pages, where it is cited that pseudo terminals first appeared in release 4.2 of the BSD operating system (page 3, "HISTORY"), and that the manual page is dated 30 November 1993. Pseudo terminals are merely processes (page 1, "However, whereas all other devices which provide the interface

USPQ2d 1429, 1431-32 (Fed. Cir. 1997) (The absence of a disclosure in a prior art reference relating to function did not defeat the Board's finding of anticipation of claimed apparatus because the limitations at issue were found to be inherent in the prior art reference); see also *In re Swinehart*, 439 F.2d 210, 212-13, 169 USPQ 226, 228-29 (CCPA 1971); *In re Danly*, 263 F.2d 844, 847, 120 USPQ 528, 531 (CCPA 1959). "Apparatus claims cover what a device is, not what a device does." *Hewlett-Packard Co. v. Bausch & Lomb Inc.*, 909 F.2d 1464, 1469, 15 USPQ2d 1525, 1528 (Fed. Cir. 1990)."

⁴ *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876).

⁵ See especially *In re Bilski*, 88 USPQ2d 1385 (Fed. Cir. 2008) (*en banc*).

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described in tty(4) have a hardware device of some sort behind them, the slave device has, instead, another process manipulating it through the master half of the pseudo terminal."), and were frequently (by those of ordinary skill in the art at the time of the invention) referred to informally as just "terminals" as they accomplish the same function. Ergo, "terminals" can be merely software, which is not a statutory class of matter (see MPEP §2106.01, I).

14. See *Bilski* at 1396: "The machine-or-transformation test is a two-branched inquiry; an applicant may show that a process claim satisfies §101 either by showing that his claim is tied to a particular machine, or by showing that his claim transforms an article. See *Benson*, 409 U.S. at 70." As independent claim 15 does not tie itself to a particular machine, nor transform an article of manufacture, the claim is non-statutory.

15. "Devices" or a "network" are not "particular" machines. Neither a "service providing device", an "authentication and payment device", nor a "network" are "particular" machines, as they could be implemented in a number of ways. The "devices" could be implemented in computer servers, computer workstations, desktops, thin clients, POS terminals, PDAs, *et cetera*; the "network" could be a packet-switching network, a point-to-point network, an ATM network, or even a fiber-optic network. Therefore, no "particular" machine is recited in the claims.

16. Furthermore, the claims do not involve a transformation of underlying statutory subject matter.

Claim Rejections - 35 USC § 112

17. The following is a quotation of the second paragraph of 35 U.S.C. 112:

⁶ The Supreme Court recognized that this test is not necessarily fixed or permanent and may evolve with

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The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

18. Claims 15 and 19 are rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

19. Both claims 15 and 19 recite "the payment processing", and checking to see if the processing was successful. There is insufficient antecedent basis for this limitation in the claim. For purposes of applying prior art, the Examiner has interpreted the "sending the authentication and payment message to the authentication and payment device" (claim 15) as having a immediately following step that involves processing.

Claim Rejections - 35 USC § 103

20. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

21. Claims 15 and 19 are rejected under 35 U.S.C. §103(a) as being unpatentable over Request For Comment 1898 ("CyberCash") in view of Official Notice..

22. As per claims 15 and 19, Davis discloses:

23. receiving by the terminal (§1.1, "Internet Customer") from the authentication and payment device (§1.1, "Internet Merchant") a certificate of service (§4.3.1 - "PR1 - payment-request") including a content of a reference amount (§4.3.1 - "Total price");

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24. issuing a request for use of a service (§4.3.2 - "CH1 - credit-card-payment") for the terminal to the service providing device (§1.1, "CyberCash server");

25. receiving by the service providing device the request for use of a service (§4.4.1 - "CM1 - auth-only") from the terminal through the information network (§1.1, ¶1 - "consumers need only a personal computer with a network connection").

26. CyberCash does not explicitly disclose:

27. comparing the reference amount in the certificate of service with an amount of payment to determine whether the amount of payment is larger than the reference amount, generating by the service providing device, in a case the amount of payment is larger than the reference amount, an authentication and payment message, sending the authentication and payment message to the authentication and payment device, and if the payment processing is successful, then executing to provide the requested service to the terminal, providing by the service providing device, in a case the amount of payment is equal to or smaller than the reference amount, the requested service to the terminal before the service providing device generates an authentication and payment message that is sent to the authentication and payment device;

f. The Examiner takes Official Notice that generating a payment message if the amount paid is larger than an amount, and not immediately generating said message if the amount paid is smaller than said amount was old and well-known in the art because it allows for the pooling of payments, a cheaper alternative to billing each transaction immediately. It was well-known to those skilled in the art at the time of the invention that credit card issuers charge a certain fee to merchants whenever a credit card is used to

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make a purchase (typically a small percentage of the transaction plus a flat fee). Many merchants cut their losses by imposing a minimum amount that a customer must purchase to use a credit card (reference amount being larger than "an amount of payment").

Another alternative is to pool smaller payments together - this avoids individual charges for each transaction (reference amount being smaller than "an amount of payment").

g. The sole difference between the reference and the instant application is that the reference does not disclose payment pooling in place of letting each transaction bill individually. Since each individual billing system and its function are shown in the prior art (though in different references), the difference between the claimed subject matter and the prior art rests not on an individual element or function, but the combination itself – that is, in the substitution of payment pooling in CyberCash. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to use payment pooling in place of billing each transaction separately, because the simple substitution of one known element for another, producing a predictable result, renders the claim obvious. Furthermore, a person having ordinary skill in the art would see this as advantageous because it would result in a more cost-effective system.

28. attached with the certificate of service.

h. The Examiner takes Official Notice that sending the certificate of service to the service providing device was old and well-known in the art because it allows for a better chain of custody and better auditing facilities. By sending the certificate of service to the CyberCash server as well as the merchant, both the merchant and the CyberCash server would have a record of the transaction; a user would be more able to sort out any billing

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problems (as a merchant could not be trusted to provide completely accurate billing logs, were said merchant to be a malicious party). The same is true in real life, where payment details are inherently forwarded to the credit card issuer.

i. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to modify CyberCash to send the CH1 message from the customer to the CyberCash server as well as the merchant, because it would create a more secure and trustworthy system. A person having ordinary skill in the art would see this modification as advantageous because it would create a higher degree of security and trust in the system, meaning that users would be more likely to utilize the system.

Claim Interpretation

1. In accordance with MPEP §2111.01, the Examiner has interpreted the meaning of claim limitations in accordance with their "plain meaning", unless such terms have been defined explicitly in the specification.

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2. As per claim 15, the limitations starting "generating by the service providing device" and "providing by the service providing device" are seen as optional limitations. A method that only accepted payments larger than the reference amount, and performed the steps under that section, would meet the claim language; similarly, a method that only accepted equal or lesser payment, and performed the steps under that section, would meet the claim language. The language is written in an optional format, and has been construed as such. Claim 19 contains similar "optional language" and has been construed in the same sense (using "in a case..." to enumerate the alternatives). Optional or conditional elements do not narrow claims because they can always be omitted. See *In re Johnston*, 435 F.3d 1381, 77 USPQ2d 1788, 1790 (Fed. Cir. 2006) ("As a matter of linguistic precision, optional elements do not narrow the claim because they can always be omitted"), and MPEP §2106 II C, which states "Language that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation" (emphasis in original text). As it is written, the Examiner interprets claim 19's limitations to read "the terminal; the service providing device". The "configured" portion of the claim does not add patentable weight, and is considered to be purely functional language. Consider a personal computer. It can be said that a personal computer is "configured" to receive data from a network. However, any computer that has the hardware to receive the data is able to do so, and is therefore "configured" to do so. The more important question is whether the computer is *programmed* to receive the data from the network. The Examiner does not feel that "configured that" sufficiently discloses the structure of the apparatus in claims 22-31. As the use of "programmed to" would positively recite the

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function of the individual units in a way that is sufficient to distinguish it from the prior art, the Examiner requests that Applicants use this terminology to claim their invention.

Response to Arguments

3. Applicants' arguments with respect to claims 15-19 have been considered but are moot in view of the new ground of rejection.

4. Examiner notes that Applicant did not challenge the Examiner's citations of Official Notice in the previous Office Action. Therefore, the cited limitations in claim 5 are taken to be admitted prior art due to the failure to challenge the Examiner's assertions. See MPEP §2144.03 (C).

Conclusion

5. Examiner's Note: Although Examiner has cited particular columns, line numbers and figures in the references as applied to the claims above for the convenience of the applicant, the specified citations are merely representative of the teaching of the prior art that are applied to specific limitations within the individual claim and other passages and figures may apply as well. It is respectfully requested that the applicant, in preparing the response, fully consider the items of evidence in their entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the Examiner. Furthermore, it must be noted that the documents cited on any enclosed PTO-892 or PTO-1449 form are cited in their entirety.

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6. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Christopher C. Johns whose telephone number is (571)270-3462.

The examiner can normally be reached on Monday - Friday, 9 am to 5 pm.

7. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Andrew Fischer can be reached on (571) 272-6779. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

8. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Christopher C Johns
Examiner
Art Unit 3621

CCJ

/ANDREW J. FISCHER/
Supervisory Patent Examiner, Art Unit 3621